

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1622-01  
Bill No.: SB 324  
Subject: Insurance - General; Insurance Department; Licenses - Professional  
Type: Original  
Date: March 11, 2013

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Bill Summary: This proposal regulates the sale of travel insurance and establishes a limited lines travel insurance producer and licensure system.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$57,016)	(\$60,439)	(\$61,100)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$57,016)</b>	<b>(\$60,439)</b>	<b>(\$61,100)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	1	1	1
<b>Total Estimated Net Effect on FTE</b>	<b>1</b>	<b>1</b>	<b>1</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal creates new requirements for sale of travel insurance in Missouri. Due to these new requirements, the department will need one Investigator II FTE. The FTE will insure compliance with this legislation and investigate consumer complaints regarding the sale of travel insurance and travel insurance producers. The department believes the licensing provisions of this proposal can be handled within the department's current appropriations and FTE; however should the workload be more than anticipated, the department would request additional general revenue appropriation and/or FTE through the budget process.

The legislation does not authorize the department to collect fees for licensure. The department assumes funding will be from General Revenue. The department estimates a fiscal impact expense of \$57,016 in FY14, \$60,439 in FY15 and \$61,100 in FY16.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DIFP</u>			
Salaries	(\$30,560)	(\$37,039)	(\$37,409)
Fringe Benefits	(\$16,148)	(\$19,571)	(\$19,767)
Equipment and expense	(\$10,308)	(\$3,829)	(\$3,924)
<u>Total Costs - DIFP</u>	<u>(\$57,016)</u>	<u>(\$60,439)</u>	<u>(\$61,100)</u>
FTE Change - DIFP	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$57,016)</u></b>	<b><u>(\$60,439)</u></b>	<b><u>(\$61,100)</u></b>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal creates process and procedures, to be administered by Department of Insurance, Financial Institutions and Professional Registration, for the sale of travel insurance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions  
and Professional Registration



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